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**LAFAYETTE PUBLIC TRUST  
FINANCING AUTHORITY**

Lafayette, Louisiana

Financial Report

Year Ended March 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/17/07

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## INDEPENDENT AUDITORS' REPORT

WEB SITE:

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The Board of Trustees  
Lafayette Public Trust Financing Authority  
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Lafayette Public Trust Financing Authority (Authority), a component unit of the Lafayette Consolidated Government, Lafayette, Louisiana, primary government, as of and for the year ended March 31, 2007, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Trustees of the Authority. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Lafayette Public Trust Financing Authority as of March 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 17, 2007 on our consideration of Lafayette Public Trust Financing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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CERTIFIED PUBLIC ACCOUNTANTS

The Lafayette Public Trust Financing Authority has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
September 17, 2007

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Statement of Net Assets  
March 31, 2007

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current:	
Cash and interest-bearing deposits	\$ 5,723,277
Investments	14,875,776
Accrued interest	<u>8,174</u>
Total current assets	<u>20,607,227</u>
Noncurrent assets:	
Note receivable	425,000
Capital assets	<u>315,674</u>
Total noncurrent assets	<u>740,674</u>
Total assets	<u>21,347,901</u>
<b>LIABILITIES</b>	
Accounts payable	<u>6,505</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	315,674
Unrestricted	<u>21,025,722</u>
Total net assets	<u>\$21,341,396</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Statement of Activities  
For the Year Ended March 31, 2007

	Activities	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Assets
				Governmental Activities
Governmental activities:				
General government		\$ 34,364	\$ -	\$ (34,364)
General revenues:				
Interest and investment earnings				1,492,070
Interest on note receivable				8,174
Total general revenues				<u>1,500,244</u>
Change in net assets				1,465,880
Net assets - April 1, 2006				<u>19,875,516</u>
Net assets - March 31, 2007				<u>\$21,341,396</u>

The accompanying notes are an integral part of the basic financial statements.



**FUND FINANCIAL STATEMENTS (FFS)**

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Balance Sheet - Governmental Fund - General Fund  
March 31, 2007

ASSETS

Current:

Cash and interest-bearing deposits	\$ 5,723,277
Investments	14,875,776
Note receivable	<u>425,000</u>
Total assets	<u>\$21,024,053</u>

LIABILITIES AND FUND BALANCE

Current liabilities:

Accounts payable	6,505
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Fund balance:

Unreserved, designated	<u>21,017,548</u>
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Total liabilities and fund balance	<u>\$21,024,053</u>
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The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
March 31, 2007

Total fund balance for the governmental fund at March 31, 2007	\$21,017,548
Total net assets reported for governmental activities in the statement of net assets is different because:	
Accrued interest on note receivable	8,174
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	<u>315,674</u>
Total net assets of governmental activities at March 31, 2007	<u>\$21,341,396</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund - General Fund  
Year Ended March 31, 2007

Revenues:

Interest on interest-bearing deposits and investments	\$ 296,115
Increase in fair value of investments	<u>1,195,955</u>
Total revenues	<u>1,492,070</u>

Expenditures:

Current -

General government:

Legal fees	19,529
Accounting and auditing	3,910
Asset management fees	1,553
Professional fees	5,110
Land acquisition costs	3,000
Miscellaneous	<u>1,262</u>
Total expenditures	<u>34,364</u>

Excess of revenues over expenditures	1,457,706
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Fund balance, beginning	<u>19,559,842</u>
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Fund balance, ending	<u>\$21,017,548</u>
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The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
Year Ended March 31, 2007

Total net changes in fund balance at March 31, 2007 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$1,457,706
The change in net assets reported for governmental activities in the statement of activities is different because:	
Difference between interest income on note on modified accrual basis versus interest on note on accrual basis	<u>8,174</u>
Total changes in net assets at March 31, 2007 per Statement of Activities	<u>\$1,465,880</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lafayette Public Trust Financing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Lafayette Public Trust Financing Authority (Authority) is a political subdivision of the state of Louisiana. The Authority was formed as a public trust on January 16, 1979 pursuant to Chapter 2-A of Title 9 of the Louisiana revised statutes. The beneficiary of the trust is the Lafayette City-Parish Consolidated Government, Lafayette, Louisiana. The Authority was created for the purpose of providing financing for residential facilities to low and moderate income families within the Parish of Lafayette. The Authority's governing body is comprised of a board of five trustees.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

For financial reporting purposes, the Authority includes all funds and activities that are controlled by the Authority as an independent political subdivision of the State of Louisiana. The Authority is a component unit of the Lafayette Consolidated Government, the primary government. Although legally separate from the Lafayette Consolidated Government, the following factors were considered in deciding that the Authority is a component unit of the Lafayette Consolidated Government, Lafayette, Louisiana:

1. The trustees of the Authority shall be appointed by the governing authority of the Lafayette Consolidated Government.
2. All proposed by-laws and any amendments thereto need to be approved by the governing authority of the Lafayette Consolidated Government.
3. No debt obligations may be issued or moneys borrowed without the prior consent of the governing authority of the Lafayette Consolidated Government.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

4. No bonds of the Trust shall be delivered without the prior approval of the governing authority of the Lafayette Consolidated Government.

This report includes the component unit financial statements of the Lafayette Public Trust Financing Authority, which does not include the oversight unit (Lafayette Consolidated Government) financial statements.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Authority is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

The major fund of the Authority is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this



**LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY**  
Lafayette, Louisiana

**Notes to Financial Statements (Continued)**

purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Equity**

**Cash, interest-bearing deposits, and investments**

Statutes authorize the Lafayette Public Trust Financing Authority to invest in certificates of deposit, repurchase agreements, passbook savings accounts, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount of those funds. In addition, the Lafayette Public Trust Financing Authority can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. Investments are stated at fair value.

**Capital Assets**

Capital assets, which include property, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Authority maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

At March 31, 2007, the Authority did not report any depreciable capital assets.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Compensated absences**

The Authority had no employees during the year ended March 31, 2007; therefore, it did not have a policy on vacation and sick leave, nor did it have a pension plan.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Equity classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(2) Cash and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The bank balances at March 31, 2007 were fully secured. At March 31, 2007, the Authority had cash and interest-bearing deposits (book balances) of \$5,723,277, as follows:

Accounts	Interest-Bearing Deposits
Lafayette Consolidated Government	\$5,715,796
Lafayette Public Trust Financing Authority	<u>7,481</u>
Totals	<u>\$5,723,277</u>

B. Investments

The Authority can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The Authority's investments are categorized to give an indication of the level of risk assumed by it at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Authority's name. All of the Authority's investments are considered Category 1. At March 31, 2007, the Authority's investments totaled \$14,875,776. Investment information is as follows:

Accounts	Reported Amount	Fair Value
FNMA - Mortgage-backed securities	\$ 466,282	\$ 466,282
FNMA - Zero coupon bonds	13,653,705	13,653,705
U.S. Government obligations	<u>755,789</u>	<u>755,789</u>
Totals	<u>\$14,875,776</u>	<u>\$14,875,776</u>

**LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY**  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

In accordance with GASB Statement No. 31, the Authority recognized the net increase (decrease) in the fair value of investments for the year ended March 31, 2007 detailed below. This amount takes into account all the changes in fair value (including purchasing and sales) that occurred during the year.

FNMA - Zero coupon bonds	\$ 1,125,443
U.S. Government obligations	<u>70,512</u>
Total	<u>\$ 1,195,955</u>

(3) Capital Assets

Capital asset balances and activity for the year ended April 31, 2007 are as follows:

	Balance 04/01/06	Additions	Deletions	Balance 3/31/2007
Land	<u>\$ 315,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,674</u>

(4) Note Receivable

On August 10, 2006 the Authority financed the purchase of 14.61 acres by the Housing Authority of the City of Lafayette. This loan in the amount of \$425,000 is secured by a mortgage on the property and bears interest at a rate of 3% per annum accruing until the note is repaid when the Housing Authority's project is funded by Low Income Housing Tax Credits or in 5 years.

(5) Compensation of Board of Trustees

The Board of Trustees of the Authority receives no compensation and are only reimbursed for their expenses incurred relating to the Authority's business, which must have appropriate supporting documentation.

(6) Prior Years' Debt Defeasance

In prior years, the Lafayette Public Trust Financing Authority has defeased various bond issues by creating irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U. S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's financial statements. As of March 31, 2007, the amount of defeased debt outstanding but removed from the financial statements amounted to \$21,260,000.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(7) Intergovernmental Agreement

Lafayette Public Trust Financing Authority entered into an agreement with the Lafayette Consolidated Government, beneficiary of Lafayette Public Trust Financing Authority, whereas the Authority will transfer monies to the City and the City shall maintain said monies for the benefit of the Authority. Unless directed otherwise, the City shall invest all funds in such a manner to maximize income from such funds that can safely be earned within the confines of law. The City shall disburse funds only upon directions of the Authority as evidenced by requisitions signed by the Authority's chairman. All requisitions in excess of five thousand dollars must be executed by both the chairman and secretary-treasurer of the Authority. The Authority shall reimburse the City annually an amount to be determined by the City's cost allocation plan for such services. As of March 31, 2007, the City is maintaining interest-bearing deposits and investments totaling \$19,663,984, which is reflected in the financial statements of the Authority.

(8) Joint Cooperative Agreement

Lafayette Public Trust Financing Authority entered into an agreement with the Lafayette Consolidated Government, whereas the Authority initially agreed to provide funds totaling \$250,000 on an "as requested" basis for the purpose of establishing and implementing a low interest revolving loan program to assist first time homebuyers in the Parish of Lafayette. Eligible participants may receive up to \$5,000, to be repaid at an interest rate of five percent (5%) per year for a loan term not to exceed fifteen (15) years. The funds may be used only for the purposes of offsetting closing costs and/or as a down payment.

This agreement commenced on February 5, 1998 and ended on December 31, 1998. The agreement automatically renews on a calendar year basis for successive terms of one year unless either party provides written notice of its intent to terminate. In the event of termination, Lafayette City-Parish Consolidated Government is obligated to distribute any funds collected as repayments from borrowers and/or remaining and available in program accounts to the Authority.

The Authority has approved additional funding and has funded this program in the amount of \$1,656,000 as of March 31, 2007, which was funded in prior years. The financial activity, including the assets, liabilities, and net assets of this program are not reflected in these financial statements.

(9) Conduit Debt Obligations

On October 1, 2002, the Authority issued Revenue Bonds in the amount of \$19,065,000 to provide financial assistance to Ragin' Cajun Facilities, Inc., a Louisiana nonprofit corporation, for the development, design construction and equipping of a student apartment complex, food service facility and child care facility, including parking and other infrastructure at the University of Louisiana at Lafayette.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

On October 1, 2002, the Authority also issued Revenue Bonds in the amount of \$17,840,000 to provide financial assistance to SLCC Facilities Corporation, a Louisiana nonprofit corporation, for the development, design, construction and equipping of a new college campus for students, faculty and staff of the South Louisiana Community College.

Revenues from the facilities constructed are pledged for the total payment of principal and interest. Bondholders can only look to these sources for repayment. Upon repayment of the bonds, ownership of the constructed facilities transfers to the respective corporations served by the bond issuance. These bonds are not direct or contingent liabilities of the Authority. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of March 31, 2007, there were two series of revenue bonds outstanding. The principal amount outstanding for these issues was \$35,255,000. The original issue amount of the bonds was \$36,905,000.

(10) Commitments

The Authority adopted a resolution on February 3, 2006 declaring its intent to develop and own an affordable apartment home development for the purpose of providing affordable rental apartment homes to low income individuals and families through the Louisiana Housing Finance Agency's Low Income Housing Tax Credit Program. On March 17, 2006, the Authority purchased approximately eight acres of land at a total cost of \$315,674 as a site for the development of this project.

As of March 31, 2006 the Authority has approved a \$5,000 marketing grant to the City's Department of Community Development to be used in marketing the Authority's First Time Home Buyer Down Payment and Closing Costs Revolving Loan Fund Program. The Authority also approved a contribution of \$20,000 to the School of Architecture Workshop of the University of Louisiana at Lafayette, contingent, jointly, upon approval of a grant application submitted by the School of Architecture Workshop and approval by the Authority's beneficiary. Both of these amounts were unfunded as of March 31, 2007.

(11) Subsequent Event

On September 14, 2007, the Authority adopted a resolution authorizing the issuance of Single Family Mortgage Revenue Bonds (Mortgage-backed Securities Program), Series 2007A (GO ZONE) (Non AMT), in an aggregate principal amount not to exceed \$50,000,000, for the purpose of providing a means of financing the costs of residential homeownership and development that will provide adequate housing for residents of the eligible Loan Area who are persons of low and moderate income, to make any other loans permitted by the Gulf Opportunity Zone Act of 2005, and to expand the supply of funds in the Eligible Loan Area available for mortgage loans, all in accordance with the requirements of the Act, the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder. At report date, the approval process had not been completed. It is expected that these bonds will be issued before the end of the fiscal year ending March 31, 2008.

**LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY**  
**Lafayette, Louisiana**

**Notes to Financial Statements (Continued)**

The Authority also approved at its September 14, 2007 meeting to fund a \$2.5 million construction loan to the City of Lafayette for the Rosa Parks Transportation Center. The \$2.5 million is expected to be repaid over the next five years from Federal Transit Administration grants which are awarded annually to the City of Lafayette.

## **OTHER SUPPLEMENTARY INFORMATION**



**COMPLIANCE  
AND  
INTERNAL CONTROL**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees  
Lafayette Public Trust Financing Authority  
Lafayette, Louisiana

We have audited the financial statements of the governmental activities and the major fund of the Lafayette Public Trust Financing Authority (Authority), a component unit of the Lafayette Consolidated Government, Lafayette, Louisiana, the primary government, as of and for the year ended March 31, 2007, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
September 17, 2007

**LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY**  
Lafayette, Louisiana

**Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended March 31, 2007**

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
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**CURRENT YEAR (3/31/07) --**

There were no findings for the year ended March 31, 2007.

**PRIOR YEAR (3/31/06) --**

There were no findings for the year ended March 31, 2006.